



Department of Justice

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PUERTO RICO EXECUTIVE CHARGED WITH CONSPIRING TO DEFRAUD HIS EMPLOYER

WASHINGTON, D.C. -- A Puerto Rico federal grand jury today indicted a former executive of Tricon Restaurants International (Tricon), for conspiracy to commit mail fraud in connection with a kickback scheme used to defraud his employer, the Department of Justice announced.

A one-count indictment, filed in U.S. District Court in Puerto Rico, charges Jorge L. Matos Burgos (Matos) of Puerto Rico with participating in a conspiracy to defraud Tricon, the owner and operator of fast food restaurants in Puerto Rico. Tricon was recently purchased by Encanto Restaurants of Puerto Rico.

According to the charge, Matos, as a technical services supervisor, was responsible for soliciting bids for work to be performed in connection with Tricon's construction and maintenance of its restaurants, and also was responsible for selecting the subcontractor who would be awarded the contract.

According to the indictment, from October 2000 until February 2004, Matos received \$31,000 in kickback payments from Albith Colón, the president of Gate Engineering Corporation (Gate), an electrical contractor, in exchange for Matos providing favored treatment to Gate by awarding it more than \$1 million worth of electrical contracts. Although the contracts were awarded on behalf of Tricon, the company was unaware of the kickback payments.

“This type of scheme deprives companies of their right to the honest services of their employees and to fair and competitive pricing,” said Scott D. Hammond, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program.

On May 19, 2005, Gate and Colón pleaded guilty to conspiring to commit mail fraud in connection with the scheme to defraud Tricon. They are awaiting sentencing.

Today’s case is the second to arise out of an ongoing investigation in Puerto Rico being conducted jointly by the Antitrust Division’s Atlanta Field Office; the U.S. Attorney’s Office for the District of Puerto Rico; the General Services Administration, Office of Inspector General, New York Office; and the Small Business Administration, Office of Inspector General, in Puerto Rico.

Matos is charged with violating 18 U.S.C. § 371, which carries a maximum term of imprisonment of five years and a maximum fine of \$250,000 for an individual. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Anyone with information concerning bid rigging or kickbacks in Puerto Rico should contact the Atlanta Office of the Antitrust Division at (404) 331-7100.

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